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## U.S. Department of Transportation Fiscal Year 2009 Budget In Brief

### FEDERAL HIGHWAY ADMINISTRATION

**Overview:** The mission of the Federal Highway Administration (FHWA) is to improve mobility on our Nation's highways through national leadership, innovation, and program delivery. Highways are the critical link in our Nation's transportation system, as virtually every trip we take and every good consumed passes over a road at some point. The challenge is to preserve and improve the 160,000-mile National Highway System, which includes the Interstate System and other roads of importance for national defense and mobility, while also improving highway safety, minimizing traffic congestion, and protecting the environment on these and other key facilities. Through surface transportation programs, innovative financing mechanisms, and increased use of innovative pavement and highway operational technology, FHWA will increase the efficiency by which people and goods move throughout the Nation, and improve the efficiency of highway and road connections to other transportation modes. The FY 2009 budget request of \$40.1 billion in budgetary resources will allow the FHWA to address these challenges and support Departmental efforts towards the achievement of its strategic goals and performance targets, specifically in new key focus areas: passenger vehicle occupants, non-occupants (pedestrians, cyclists, etc.), motorcycle riders, and large trucks and buses.

#### Federal Highway Administration Budget <sup>1/</sup> (Dollars in Millions)

	<b>2007 Actual</b>	<b>2008 Enacted</b>	<b>2009 Requested</b>
Federal-Aid Highways Obligation Limitation (TF)	37,148 <sup>2/</sup>	40,585	40,400
Revenue Aligned Budget Authority (RABA) (TF)	842	631	-1,001
<b>Subtotal: Federal-Aid Highways Obligation Limitation (TF)</b>	<b>37,990</b>	<b>41,216</b>	<b>39,399</b>
Exempt Mandatory Federal-Aid Highways (TF)	741	739	739
Limitation on Administrative Expenses, Federal-Aid Highways (TF)	[361]	[378]	[395]
Budget Authority, FY 2007 Pay Raise (TF)	3	0	0
Emergency Relief Supplemental General Fund (GF)	871	195	0
Appalachian Development Highway System (GF)	20	16	0
Miscellaneous Appropriations/Delta Region Program (GF)	0	14	0
<b>Total</b>	<b>39,624</b>	<b>42,180</b>	<b>40,138 <sup>3/</sup></b>

1/ Brackets [ ] indicate non-add entries. Amounts may not add to totals due to rounding.

2/ Reflects \$121 million transfer to NHTSA per P.L. 110-5 and a net \$975 million flex funding transfer to FTA.

3/ The FY 2009 budget also proposes cancellations of unobligated balances of Federal-aid contract authority (-\$3.885 billion).

In addition, SAFETEA-LU rescinded unobligated balances of contract authority (-\$8.593 billion).

#### Summary of Federal-Aid Highways FY 2009 Increases and Decreases (Dollars in Millions)

	<b>Federal-Aid Highways Obligation Limitation</b>	<b>Exempt Mandatory Federal-Aid Highways</b>	<b>Total</b>
<b>FY 2008 Base</b>	<b>41,216</b>	<b>739</b>	<b>41,955</b>
Pay Inflation Adjustments	8	0	8
Non-Pay Inflation Adjustments	5	0	5
Annualization of FY 2008 Initiatives	0	0	0
Non-recurring Costs or Savings	0	0	0
Base Re-engineering, Reductions, or Adjustments	-1,830	0	-1,830
<b>FY 2009 Current Services Levels</b>	<b>39,399</b>	<b>739</b>	<b>40,138</b>
<b>Program Initiatives — SAFETEA-LU</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FY 2009 Request</b>	<b>39,399</b>	<b>739</b>	<b>40,138</b>

## FY 2009 Budget

The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (SAFETEA-LU), enacted August 10, 2005, provides for increased transportation infrastructure investment, strengthens transportation safety programs and environmental programs, and continues core research activities. SAFETEA-LU, along with Title 23, U.S.C. ("Highways") and other supporting legislation, provides authority for the various programs of the Federal Highway Administration designed to improve highways throughout the Nation. The budget request for FY 2009 continues transportation infrastructure investment to reduce congestion, increase the mobility and productivity of the Nation, strengthen transportation safety programs, and provide a focus on program efficiencies, oversight, and accountability.

In FY 2009, the Federal Highway Administration continues major programs, including the Surface Transportation Program, the National Highway System, Interstate Maintenance, Highway Bridge Replacement and Rehabilitation Program, Congestion Mitigation, Air Quality Improvement Program, and Transportation Infrastructure Finance and Innovation programs.

The FY 2009 budget request of \$40.1 billion supports the Secretary's goals and continues efforts to improve highway safety dramatically, slow the growth of traffic congestion, and promote good stewardship of the environment. FHWA will also strengthen its stewardship of Federal surface transportation funds by improving oversight and increasing accountability to ensure every dollar spent achieves maximum benefits for Americans.



**Federal-aid Highways Program:** The Federal-Aid Highways Program (FAHP) provides Federal financial assistance to the States to construct and improve the National Highway System, urban and rural roads, and bridges. The FY 2009 budget request includes an obligation limitation of \$39.4 billion for the FAHP. The request fulfills the President's multi-year commitment to invest in surface transportation without raising taxes or subsidizing transportation spending with other tax dollars. It is the final installment of the \$286.4 billion in highway, transit, and safety program funding agreed upon in last surface transportation re-authorization act. The Budget provides new flexibility to manage funds in the Highway Trust Fund so the existing tax structure can continue to support authorized spending for all surface transportation programs. The Federal-Aid Highways Program includes the following:

- National Highway System (NHS) — \$6.3 billion for the NHS program, consisting of roads of primary Federal interest. These include the current Interstate system, other rural principal arterials, urban freeways and connecting urban principal arterials, facilities on the Defense Department's designated Strategic Highway Network, and roads connecting the NHS to intermodal facilities.
- Surface Transportation Program (STP) — \$6.6 billion for the STP program, which supports projects on any Federal-aid highway, bridge projects on any public road, transit capital projects, and intracity and intercity bus terminals and facilities.
- Interstate Maintenance (IM) — \$5.2 billion for the IM program, which is designed to rehabilitate, restore, resurface, and reconstruct the interstate system.
- Bridge Replacement and Rehabilitation — \$4.5 billion for the bridge program, which enables States to improve the condition of their bridges through replacement, rehabilitation, and systematic preventive maintenance.
- Congestion Mitigation and Air Quality Improvement Program (CMAQ) — \$1.8 billion for the CMAQ program, which supports transportation projects that assist in meeting and maintaining national ambient air quality standards.
- Highway Safety Improvement Program (HSIP) — For FY 2009, \$1.3 billion is estimated for the new highway infrastructure safety program (previously funded by a set-aside from STP) that was established as a core program beginning in FY 2006. The program, which features strategic safety planning and performance, devotes additional resources and supports innovative approaches to reducing highway fatalities and injuries on all public roads.
- Research and Intelligent Transportation System (ITS) — To support the FAHP and the Federal Lands Highway Program (FLHP), FHWA conducts and manages a comprehensive research, development, and technology program. For FY 2009, \$429.8 million is estimated for research. FHWA will continue to work on identifying ways to reduce the number of injuries and fatalities on our Nation's roadways by demonstrating the application of innovative technologies in highway safety, deploying and evaluating safety technologies and innovations at the State and local levels, and assuring the deployment of best practices in training, management, design, and planning. For FY 2009, \$110 million is estimated for the ITS program, now managed by RITA, to continue work on ten major initiatives and supporting technology transfer activities. Key among the initiatives is Vehicle Infrastructure Integration (VII), which continues development of enabling wireless platform to connect vehicles-to-vehicles and vehicle-to-infrastructure, along with safety and mobility applications. The ITS program also continues work in the deployment and integration of technology components to support congestion initiatives.



- Federal Lands Highway Program (FLHP) — FLHP improves access to and within national forests, national parks, Indian reservations, and other public lands. The \$1 billion estimated for the FLHP in FY 2009 will support the President's initiatives to enhance the protection of America's national parks and protect these national treasures for present and future generations. This will include enhancement of ecosystems, improvement of outdoor opportunities, improved infrastructure, and greater accountability.
- Transportation Infrastructure Finance and Innovation Act (TIFIA) Program — Under the TIFIA program, FHWA, on behalf of the Department of Transportation, will use FY 2009 estimated obligations of \$122 million to help stimulate private capital investment in transportation infrastructure. Approved applicants receive credit assistance in the form of direct loans, loan guarantees, and lines of credit for up to one-third of the cost of large infrastructure construction projects of national or regional significance.
- Limitation on Administrative Expenses (LAE) — An LAE of \$395 million is requested for FY 2009 for the necessary salaries and on-going administrative expenses in support of Federal highway programs and to provide for congestion relief efforts.
- Emergency Relief Program — The Emergency Relief (ER) program provides funding for the repair or reconstruction of Federal-aid

highways and roads on Federal lands that have suffered serious damage as a result of natural disasters or catastrophic failures from an external cause. Section 125 of title 23, United States Code, authorizes \$100 million annually.



**Congestion Reduction Initiative:** The budget proposes to redirect \$175 million in unobligated balances for inactive projects authorized in the Intermodal Surface Transportation Efficiency Act (ISTEA) of 1991. The funds will be used to carry out the Department's National Strategy to Reduce Congestion on America's Transportation Network (the "Congestion Initiative") and will support metropolitan area congestion reduction demonstration initiatives and the Corridors of the Future Program.

The Department requests \$100 million to fund qualified projects in 2009 that would implement congestion pricing along with complementary transportation solutions, including transit service and innovative operational technologies. In December 2007, DOT received approximately 20 applications from a wide range of jurisdictions.

The Department requests \$75 million in the FY 2009 budget to support the Department's Corridors of the Future Program (CFP), which is part of the Department's Congestion Initiative. In September 2007, the Department identified Interstates 5, 15, 10, 69, 70 and 95 as nationally significant Corridors of the Future, whose improvement will alleviate congestion and provide national and regional long-term transportation benefits.

The Department will be entering into Development Agreements with the States along the Corridors during FY 2008. The \$75 million requested will support projects negotiated and included within the Development Agreements that demonstrate an aggressive approach to congestion management. Selected projects are expected to include technology purchases to support electronic tolling and other intelligent transportation system technologies, financing analysis and targeted infrastructure investments.

In addition, the Department requests that 75 percent of the funds available for allocation under discretionary programs be designated for support of critical congestion relief projects. Projects that combine various road pricing, transit and technology solutions would receive priority consideration and be selected by the Department according to transparent, competitive, and merit-based criteria. Projects eligible for funding under this provision would include, but would not be limited to, those congestion reduction projects supported by the Department in FY 2008.